

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3374
ANSWERED ON:15.04.2002
LACK OF MARKETING INSTITUTIONS
CHANDRA NATH SINGH

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the farmers of various States particularly of Uttar Pradesh are compelled to sell their products to middle men at very low price due to lack of marketing Institutions;
- (b) if so, the details thereof; and
- (c) the corrective steps taken/proposed to be taken by the Government to provide remunerative prices to farmers for their products and also to strengthen Rural Agriculture market System in the States?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a)&(b): No, Sir. All the foodgrains conforming to Fair Average Quality Specifications brought by the farmers at purchase centres are procured by the Food Corporation of India (FCI)/State agencies at Minimum Support Price (MSP). Whenever any complaint of distress sale of farmers produce is received by the Government, the same is promptly brought to the notice of the FCI and the concerned State Governments/Union Territories Administrations for urgent corrective action. The total number of procurement centers opened in Uttar Pradesh during the Rabi and Kharif Marketing Season 2001-02 were 4390 and 1570 respectively. However, in order to curb the activities of middlemen, the State Government of Uttar Pradesh has implemented Token system and Jotbahi system. Payment up to Rs.5300/- is made by ordinary cheque and payment beyond Rs.5300/- is made by A/C Payee cheque. In case transaction involves more than Rs.50,000/-, land sown by the farmers and its production is got authenticated/verified by the District Magistrate.

(c): Before the commencement of each Marketing Season, consultations are held with the concerned State Governments and FCI officials with a view to ensure smooth procurement of foodgrains. Besides, in order to avoid distress sale by the farmers or their produce, the following steps are taken:-

- (i) Opening of adequate number of purchase centres in different States, in consultation with the State Governments.
- (ii) Making quick payment to the farmers for their produce.
- (iii) Timely procurement of gunnies.
- (iv) Adequate publicity about the procurement prices, Fair Average Quality specification and purchase centres.
- (v) Timely deployment of staff in Mandis.
- (vi) In order to closely monitor the MSP Scheme, special Control Rooms are setup in the FCI at their headquarters as well as regional offices to collect and compile daily procurement figures from the State Governments and other procuring agencies. These Control Rooms work on 24 hours basis during the peak procurement season. The State Governments are also requested to setup Control Rooms for the purpose.
- (vii) In order to strengthen the storage infrastructure in the country, a new Central Sector Scheme of Capital Investment Subsidy for construction/renovation/ expansion of Rural Godowns has been approved on 26.2.2002 to create new 18.50 lakh tonnes storage capacity and renovation of 1.5 lakh tonnes of rural capacity by 31.3.2003. Under the scheme, promoter of rural godown project is eligible for subsidy @ 25% of the capital cost of the project subject to a ceiling of Rs.37.50 lakhs and subsidy @ 33.33% of the project cost upto a ceiling of Rs.50.00 lakhs for North-Eastern States and hilly areas and in cases of promoters belonging to SC/ST.
- (viii) The National Horticulture Board (NHB), is implementing the scheme of Capital Investment Subsidy for construction/expansion/modernisation of Cold Storage/Storages for Horticultural Produce. Under this scheme, the promoter of cold storage is eligible for 25% subsidy subject to a ceiling of Rs.50 lakhs and subsidy @ 33.33% of the project cost upto a ceiling of Rs.60 lakhs per project for North Eastern States.

(ix) Government has launched a Centrally Sponsored Technology Mission for integrated development of Horticulture in North Eastern States including Sikkim. Under Mini Mission III for development of agricultural produce markets and establishment of State grading laboratories, an amount of Rs.577.42 lakhs has been sanctioned to 72 agricultural produce markets and Rs.34.54 lakhs to 14 State grading laboratories during 2001-2002.